

**MINUTES OF THE  
ADMINISTRATIVE RULES REVIEW COMMITTEE**  
Thursday, December 20, 2012 – 9:00 a.m. – Room 20 House Building

**Members Present:**

Sen. Howard A. Stephenson, Senate Chair  
Rep. Curtis Oda, House Chair  
Sen. Gene Davis  
Sen. Mark B. Madsen  
Pres. Michael G. Waddoups  
Rep. Neal B. Hendrickson  
Speaker Rebecca D. Lockhart  
Rep. Carol Spackman Moss  
Rep. Merlynn T. Newbold

**Members Absent:**

Sen. Benjamin M. McAdams

**Staff Present:**

Mr. Arthur L. Hunsaker, Policy Analyst  
Ms. Susan Creager Allred, Associate General Counsel  
Ms. Tracey Fredman, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Stephenson called the meeting to order at 9:13 a.m.

**MOTION:** Rep. Newbold moved to approve the minutes of the December 3, 2012, meeting.

President Waddoups noted that Sen. McAdams was not named in the minutes, and requested that the minutes be amended to show him listed as absent.

**SUBSTITUTE MOTION:** Pres. Waddoups moved to approve the minutes of the December 3, 2012, meeting with the amendment that Sen. McAdams be shown as absent. The motion passed unanimously. Sen. Madsen, Rep. Hendrickson and Speaker Lockhart were absent for the vote.

**2. Securities: Committee's October 19 Request of the Division and Commission**

Chair Stephenson introduced the issue and reviewed the recommendations made by the committee to the Department of Commerce at the October 19, 2012, meeting.

Mr. Thad LaVar, Deputy Director, Department of Commerce, and Mr. Keith Woodwell, Director, Division of Securities, responded to questions regarding the implementation of the committee's recommendations.

Committee staff distributed "FINRA BrokerCheck - Research Brokers, Brokerage Firms, Investment Adviser Representatives and Investment Adviser Firms," "Division of Securities Press Releases," "Numbers of Press Releases on Division's Website," "Google Search Utah Division of Securities," "Google Search Division of Securities Utah Department of Commerce," and "Code for Removal of Any Individual Link."

Mr. Erik A. Christiansen, Chair, Securities Commission, responded to questions from the committee, regarding the activities of the Securities Commission, FINRA, the seemingly incomplete status of information available to the public on the Department of Commerce's website, and the particular case of Mr. Richard Mack, whose case is still on the website, even though he was found innocent and is now retired.

Mr. Keith Woodwell, Director, Division of Securities, addressed questions regarding the relationship and roles of the Division of Securities and the Securities Commission.

Representative Jim Bird, sponsor of 2009 General Session H.B. 78, "Utah Uniform Securities Modifications," which was contained in the mailing packet, raised questions about the case of Mr. Richard Mack, and the recommendation contained within the Performance Audit of the Division of Securities, dated July 2008, that the Legislature change the advisory board to a commission with more responsibility to oversee the division.

Mr. Richard Mack discussed his court case with the committee.

### **3. Draft Legislation "Reauthorization of Administrative Rules"**

Mr. Hunsaker reviewed draft legislation "Reauthorization of Administrative Rules," which was distributed in the mailing packet.

**MOTION:** Sen. Davis moved to recommend draft legislation "Reauthorization of Administrative Rules" (2013FL-0547/003) as a committee bill, with the understanding that it may be amended by committee vote prior to the legislative session.

Mr. Ken Hansen, Director, Division of Administrative Rules, recommended that line 20 "R277-445" be amended to read "R277-445-3(b)".

**SUBSTITUTE MOTION:** Sen. Davis moved to recommend draft legislation "Reauthorization of Administrative Rules" (2013FL-0547/003) as a committee bill, with an amendment that Line 20, "R277-445" be amended to read "R277-445-3(b)", again with the understanding that it may be amended by committee vote prior to the legislative session. The motion passed unanimously.

Rep. Oda introduced resolutions recognizing the contributions of the four committee members whose service to the Utah Legislature will end at the close of 2012.

Committee staff distributed "Resolution Recognizing President Michael G. Waddoups."

**MOTION:** Rep. Oda moved that the committee support the "Resolution Recognizing President Michael G. Waddoups." The motion passed unanimously.

Committee staff distributed "Resolution Recognizing Representative Merlynn T. Newbold."

**MOTION:** Chair Stephenson moved that the committee support the "Resolution Recognizing Representative Merlynn T. Newbold." The motion passed unanimously. Pres. Waddoups was absent for the vote.

Committee staff distributed "Resolution Recognizing Representative Neal B. Hendrickson."

**MOTION:** Rep. Oda moved that the committee support the ""Resolution Recognizing Representative Neal B. Hendrickson." The motion passed unanimously. Pres. Waddoups was absent for the vote.

Committee staff distributed "Resolution Recognizing Senator Benjamin M. McAdams."

**MOTION:** Rep. Oda moved that the committee support the ""Resolution Recognizing Senator Benjamin M. McAdams." The motion passed unanimously. Pres. Waddoups was absent for the vote.

### **4. Committee Business**

A future meeting was scheduled for Tuesday, January 22, 2012, at 9:00 a.m. in Room C445 State Capitol.

### **5. Adjourn**

**MOTION:** Sen. Davis moved to adjourn the meeting. The motion passed unanimously. Pres. Waddoups was absent for the vote.

Chair Stephenson adjourned the meeting at 11:22 a.m.